

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



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Application of SAN DIEGO GAS & ELECTRIC )  
COMPANY (U 902 E) For Authority To )  
Update Marginal Costs, Cost Allocation, )  
And Electric Rate Design. )  
\_\_\_\_\_ )

Application No. 15-04-012  
(Filed April 13, 2015)

**SECOND-AMENDED APPLICATION OF  
SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)  
FOR AUTHORITY TO UPDATE MARGINAL COSTS,  
COST ALLOCATION AND ELECTRIC RATE DESIGN**

Thomas R. Brill  
8330 Century Park Court  
San Diego, CA 92123-1530  
Telephone: (858) 654-1601  
Facsimile: (858) 654-1586  
Email: [TBrill@semprautilities.com](mailto:TBrill@semprautilities.com)

Counsel for  
SAN DIEGO GAS & ELECTRIC COMPANY

February 9, 2016

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| _____ )                                   |                           |

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SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)  
FOR AUTHORITY TO UPDATE MARGINAL COSTS,  
COST ALLOCATION AND ELECTRIC RATE DESIGN**

Pursuant to California Public Utilities Code<sup>1</sup> § 454 and California Public Utilities Commission (“Commission” or “CPUC”) Rules 2.1-2.3 and 3.2 as well as the E-Mail Ruling of Administrative Law Judge (“ALJ”) Jeanne McKinney, dated January 27, 2016, and Administrative Law Judge’s Ruling Confirming Email Ruling Setting Workshop Date And Confirming Rulings From Prehearing Conference, issued February 2, 2016, San Diego Gas & Electric Company (“SDG&E”) hereby submits this *Second-Amended Application for Authority to Update Marginal Costs, Cost Allocation and Electric Rate Design* (“Second-Amended Application”). This Second-Amended Application supersedes in its entirety the *Amended Application for Authority to Update Marginal Costs, Cost Allocation and Electric Rate Design*, submitted by SDG&E on December 1, 2015 (“Amended Application”), as well as SDG&E’s Application for Authority to Update Marginal Costs, Cost Allocation and Electric Rate Design, which was submitted by SDG&E on April 13, 2015, in accordance with the schedule adopted in the Commission’s Rate Case Plan set forth in Decision (“D.”) 89-01-040 (*modified by* D.07-07-

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<sup>1</sup> Referenced herein as “P.U. Code.”

004), as extended by letter dated January 27, 2015 from Commission Executive Director Timothy Sullivan.

## **I. OVERVIEW OF APPLICATION**

This Second-Amended Application submits Phase 2 of SDG&E's 2016 Test Year General Rate Case ("GRC") for Commission consideration. Phase 1 of the GRC is currently being litigated in Application ("A.") 14-11-003, filed November 14, 2014. This Second-Amended Application includes the traditional elements of a GRC Phase 2 type proceeding: electric marginal costs, marginal cost revenue responsibility, revenue allocation and rate design. In addition, this Second-Amended Application offers testimony supporting new rate design proposals and amends its Amended Application as authorized by ALJ McKinney in the following respects:

- Includes an Food Bank Rate Assistance Program for eligible Food Banks as required under Public Utilities Code Section 739.3;
- Includes the amendments to testimony that were discussed and authorized at the prehearing conference that was held January 26, 2016;
- Deletes reference to an Expanded Care program, as discussed at the prehearing conference that was held January 26, 2016, and makes other amendments as necessary to reflect this change and ensure accuracy in the Second Amended Application; and,
- Includes the GRC Phase 2 workshop agenda, in accordance with ALJ McKinney's ruling of January 27 (Appendix "F").

Consistent with the ALJ Ruling, the testimony changes described above are set forth in both clean and redlined format (with the exception of Excel spreadsheets, where this was not

possible), and all changes are reflected in the attached Revision Log (Appendix G) describing the differences between the Amended Application and the Second Amended Application.

## II. SUPPORTING TESTIMONY

In support of the Second-Amended Application, SDG&E attaches the amended testimony of the following witnesses, organized by Chapter as shown:

**Chapter 1 (Cynthia Fang):** Provides an overview of the testimony and the policy considerations, as well as presents the following:

- Proposes to update time-of-use (“TOU”) periods to reflect:<sup>2</sup>
  - An on-peak period of 4-9pm daily both summer and winter compared to the current on-peak period of 11am-6pm summer and 5-8pm winter.
  - A super off-peak period of 12am-6am weekdays and 12am-2pm weekends and holidays compared to the current 10pm-6am weekdays and all hours weekends and holidays.
  - An off-peak period for all other hours compared to the current semi-peak period of all other hours.
- Proposes to shorten the hours of SDG&E’s Critical Peak Pricing (“CPP”) period from 11am-6pm to 2pm-6pm year round.
- Provides policy support for the proposal for a gradual transition path to more cost-based rates that provide accurate price signals and promote transparent incentives.
- Provides policy support for the proposal for more cost-based rate options for customers today to provide customers with price signals that reflect their cost of service.

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<sup>2</sup> On December 28, 2015, the Commission opened a new Order Instituting Rulemaking to assess peak electricity usage patterns and consider appropriate time periods for future TOU rates. In its Order Instituting Rulemaking, the Commission noted:

This Rulemaking is focused on the analysis of long term trends in energy supply and demand, and is intended to inform the development of TOU periods as TOU rates become the default rates for most customers. As such, this proceeding is not intended to forestall either the consideration of new time period structures for optional TOU rates and pilots, or more immediate modifications to existing utility TOU tariffs, which may be considered in more traditional ratemaking proceedings or other active proceedings with TOU in their scope. (See R.15-12-012, at p. 3.)

As is demonstrated in the testimony submitted herein, SDG&E’s current TOU periods no longer reflect its system conditions and provide an incorrect price signal to customers. SDG&E is including a request to change its TOU periods herein pursuant to the direction set forth in D.15-08-040 and consistent with the Commission’s direction in R.15-12-012, in an effort to better align TOU periods with system conditions and needs for the next five years consistent with Public Utilities Code Section 745(c)(3) before a majority of its customers (i.e. the residential class) move to TOU rates pursuant to the direction provided in D.15-07-001.

- Provides policy support for the proposal for annual electric sales updates to provide greater stability in rates and customer bills.

**Chapter 2 (Christopher Swartz):** presents electric revenue allocation and rate design proposals, including:

- Proposes updates to revenue allocations for (1) Distribution, (2) Commodity, (3) Competition Transition Charge (“CTC”), (4) Public Purpose Program (“PPP”), which includes low income programs California Alternate Rates for Energy (“CARE”) and Energy Savings Assistance Program (“ESAP”), Energy Efficiency (“EE”), and Electric Program Investment Charge (“EPIC”), and (5) Local Generation Charge (“LGC”).
- Proposes a three year transition path for the revenue allocations of Distribution and Commodity.
- Proposes to move recovery of programs currently recovered in Distribution rates, specifically California Solar Initiative (“CSI”) and Self Generation Incentive Program (“SGIP”) costs from distribution rates to PPP rates, consistent with other programs funding state policy objectives.
- Proposes a transition path for moving business customers’ Monthly Service Fee (“MSF”) towards full recovery of distribution customer costs.
- Proposes a transition path to move the recovery of distribution demand charges towards 100% non-coincident demand (“NCD”) for customers with distribution demand charges.
- Updates commodity rates and presents bill impacts to reflect the TOU periods proposed in this Second-Amended Application.
- Proposes a transition path to move the recovery of peak generation capacity costs more towards full recovery through a peak demand charge for customers with a commodity on-peak demand charge.
- Proposes the elimination of closed rate schedules that are no longer applicable.
- Introduces new customer options:
  - A small commercial rate offering with an increased fixed charge that will provide greater bill stability.
  - A more cost-based option for medium/large commercial and industrial (“M/L C&I”) customers.

- Re-open and revamp Schedule A-TOU to provide non-residential customers with demand less than 40 kW a more cost based option, including an introduction to demand charges.
- A more cost-based option for residential electric vehicle customers with a fixed charge and lower energy rates.
- The framework for a new rate option for dimmable lights which will reduce the usage applied to their electric energy commodity charge by the amount of kWh dimmed. The option would be available for customers with either utility-owned or customer-owned lights. Customer-owned streetlights must have SDG&E-approved adaptive controls in order to select this option.
- Proposes to reduce the Peak-Time-Rebate (“PTR”) incentives, with eventually eliminating the program.
  - Reduce the PTR incentive levels by \$0.25 to \$0.50 or \$1.00 per kWh (depending on whether the customer is using enabling technology) effective November 1, 2016. In addition, SDG&E proposes to continue the transition, by reducing the PTR incentives to \$0.25 and \$0.50 per kWh in November 1, 2017 and eliminating the PTR program in November 1, 2018.
- Proposes to eliminate of current under/over collection requirements to retain under/over collections associated with dynamic pricing rate incentives within the customer class eligible for the specific dynamic pricing rate now that all customer classes have dynamic pricing rates.
- Proposes a transition path to move the on-peak/off-peak ratios toward cost-based levels for the TOU energy rates of Small Commercial and Small Agricultural customers.
- Presents the study results from treating Schedule A-TC as a separate customer class for revenue allocation purposes, in accordance with the Test Year 2012 GRC Phase 2 Partial Settlement Agreement adopted by D.14-01-002.
- Requests that the Commission find the updated streetlighting cost studies are reasonable and should be adopted.
- Proposes the removal of an obsolete light type for Schedule LS-1.
- Proposes to close LS-1 Class C rates to new customers and proposes to give current LS-1 Class C customers the option to move to LS-1 Class B with a one-

time transfer payment, thereby avoiding LS-1 Class C cost shifting to other street lighting customers. The one-time transfer payment is calculated based on the proposed LS-1 Class C rates in this proceeding and will promote indifference to other street lighting customers.

- Proposes a Food Bank Rate Assistance Program, in compliance with CPUC Section 739.3, enacted pursuant to AB 2218.

**Chapter 3 (Robert B. Anderson):**

- Supports the proposal to update TOU periods by presenting evidence of SDG&E's changing system conditions.

**Chapter 4 (Kenneth E. Schiermeyer):<sup>3</sup>**

- Requests that the Commission approve the electric sales forecast that has been updated to reflect the California Energy Commission's ("CEC") most recent adopted forecast, the 2014 California Energy Demand Updated Forecast, and seeks approval of its use in the rate design process and in determining the change in SDG&E's TOU periods.
- Proposes to update its electric sales forecast on an annual basis, beyond the approved Test Year.

**Chapter 5 (John Baranowski):**

- Describes SDG&E's distribution planning process in support of SDG&E's proposal to move the recovery of distribution demand charges towards 100% non-coincident demand for customers with distribution demand charges.

**Chapter 6 (William G. Saxe):**

- Requests that SDG&E's updated marginal distribution demand and customer cost studies as well as the cost basis for updated revenue allocation factors for allocating its authorized distribution revenue requirements to customer classes are reasonable and should be adopted.

**Chapter 7 (Jeff J. Shaughnessy):**

- Requests that SDG&E's updated marginal commodity cost studies as well as the cost basis for updated revenue allocation factors for allocating the authorized commodity revenue requirement and CTC revenue requirements to customer classes are reasonable and should be adopted.

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<sup>3</sup> Three exhibits attached to Mr. Schiermeyer's testimony contain confidential information, which has been redacted from public versions of this testimony. Please refer to Section VII below.



## **Chapter 8 (Jennifer Reynolds<sup>4</sup>):**

- Presents stakeholder and customer outreach prior and after re-filing and this Application.
- Proposes language to modify the eligibility of SDG&E's standard small commercial rate schedule (in accordance with D.14-11-002).

## **Chapter 9 (Leslie Willoughby):**

- Describes the proposed changes in SDG&E's event day trigger threshold for its Critical Peak Pricing default ("CPP-D") rate, to align the trigger with the SPP and increase the peak-shaving benefits of the rate.

All references to testimony herein refer to the foregoing.

In addition, it should be noted that SDG&E is currently attempting to negotiate a settlement with the public schools in San Diego's service territory. In D.15-08-040, the Commission noted:

SDG&E did not follow through on its statement in its Application and opening testimony that "SDG&E recognizes the special circumstances associated with public schools, such as their limited budget control and inability to change use patterns tied to periods during which they must serve the needs of children. SDG&E is committed to working with the public schools to find a solution and is preparing to offer such schools a bill credit or other solutions associated with the change in TOU periods."<sup>5</sup>

SDG&E initiated discussions with the public schools in an attempt to resolve their concerns. These discussions are continuing. If SDG&E and the schools are able to reach an agreement, SDG&E will submit a filing for Commission approval at that time.

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<sup>4</sup> SDG&E witness Jennifer Reynolds is adopting the testimony of Dawn Welch, who is no longer employed by SDG&E.

<sup>5</sup> D.15-08-040, footnote 49.

### **III. UPDATED MARGINAL COST STUDIES AND REVENUE ALLOCATIONS**

In this Second-Amended Application, SDG&E presents updated marginal cost studies for Distribution (including Streetlighting) and Commodity. In addition, SDG&E presents updated revenue allocations for: (1) Distribution; (2) Commodity; (3) CTC; and (4) PPP, which includes low income programs CARE and ESAP, EE, and EPIC, and (5) LGC. SDG&E requests that the Commission find reasonable and adopt SDG&E's updated marginal cost studies and revenue allocation proposals including SDG&E's proposal to move the recovery of CSI and SGIP from Distribution to PPP rates herein.

### **IV. INTRODUCTION OF NEW RATE PROPOSALS**

In addition to updating marginal costs and revenue allocation, this Second-Amended Application introduces several new proposals, which are referenced above by witness and further described in the supporting testimony. These proposals are consistent with the CPUC's rate design principles stated in Rulemaking ("R.") 12-06-013 ("Rate Reform OIR") and California policy goals, as described in the testimony of Cynthia Fang. SDG&E's residential rate reform proposals reflecting these principles were largely addressed in R.12-06-013. In this proceeding, SDG&E proposes continuing the movement toward cost-based rates for business customers that are also consistent with the Commission's rate design principles. SDG&E has taken a balanced approach in designing its proposals to minimize impact, by proposing a gradual implementation path to conclude in SDG&E's next anticipated GRC Phase 2 for Test Year 2019.

#### **A. Proposed Changes to Standard Rates**

SDG&E's rate design proposals to continue movement towards cost-based rates through the next anticipated rate design proceeding are shown in the table below:<sup>6</sup>

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<sup>6</sup> This table replicates Table CS-23 of Mr. Swartz's testimony (Chapter 2).

| <b>SDG&amp;E Proposed Changes to Non-Residential Class Standard Rates</b> |                                                        |                                                                                 |                                                                   |                                                                                    |
|---------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------|
|                                                                           | <b>Current</b>                                         | <b>Year 1</b>                                                                   | <b>Year 2</b>                                                     | <b>Year 3</b>                                                                      |
| <b><i>Small Commercial: Schedule A/TOU-A</i></b>                          |                                                        |                                                                                 |                                                                   |                                                                                    |
| <i>Customer Costs</i>                                                     | MSF based on demand with residual in energy rate       | Increase MSF based on demand and decrease residual in energy rate               | Increase MSF based on demand and decrease residual in energy rate | Increase (double current) MSF based on demand and decrease residual in energy rate |
| <i>Distribution Demand</i>                                                | Energy rate                                            | Energy rate                                                                     | Energy rate                                                       | Energy rate                                                                        |
| <i>Generation Capacity</i>                                                | Flat energy                                            | TOU energy                                                                      | TOU energy – increased differential                               | TOU energy-- increased differential                                                |
| <i>Commodity Energy</i>                                                   | Flat energy                                            | TOU energy                                                                      | TOU energy-- increased differential                               | TOU energy-- increased differential                                                |
| <b><i>M/L C&amp;I: Schedule AL-TOU</i></b>                                |                                                        |                                                                                 |                                                                   |                                                                                    |
| <i>Customer Costs</i>                                                     | MSF with residual in demand charges                    | Increase MSF 20% with decrease residual in demand charges                       | Increase MSF 20% with decrease residual in demand charges         | Increase MSF 20% with decrease residual in demand charges                          |
| <i>Distribution Demand</i>                                                | 65% NCD/35% Peak                                       | No change from current (65% NCD/35% Peak)                                       | 75% NCD/25% Peak                                                  | 85% NCD/15% Peak                                                                   |
| <i>Generation Capacity</i>                                                | 50% on-peak demand charge with residual in energy rate | No change from current (50% on-peak demand charge with residual in energy rate) | 60% on-peak demand charge with reduced residual in energy rate    | 70% on-peak demand charge with reduced residual in energy rate                     |
| <i>Commodity Energy</i>                                                   | TOU energy                                             | TOU energy                                                                      | TOU energy                                                        | TOU energy                                                                         |
| <b><i>Small Agricultural: Schedule PA (&lt;20kW)</i></b>                  |                                                        |                                                                                 |                                                                   |                                                                                    |
| <i>Customer Costs</i>                                                     | MSF with residual in energy rate                       | 20% Increase MSF and decrease residual in energy rate                           | 20% Increase MSF and decrease residual in energy rate             | 20% Increase MSF and decrease residual in energy rate                              |
| <i>Distribution Demand</i>                                                | Energy rate                                            | Energy rate                                                                     | Energy rate                                                       | Energy rate                                                                        |
| <i>Generation Capacity</i>                                                | Flat energy                                            | TOU energy                                                                      | TOU energy – increased differential                               | TOU energy-- increased differential                                                |
| <i>Commodity Energy</i>                                                   | Flat energy                                            | TOU energy                                                                      | TOU energy-- increased differential                               | TOU energy-- increased differential                                                |

| <b><i>M/L Agricultural: Schedule PA(<math>\geq 20kW</math>)</i></b> |                                                        |                                                           |                                                                 |                                                                |
|---------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------|
| <i>Customer Costs</i>                                               | MSF with residual in energy rate                       | 20% Increase MSF and decrease residual in energy rate     | 20% Increase MSF and decrease residual in energy rate           | 20% Increase MSF and decrease residual in energy rate          |
| <i>Distribution Demand</i>                                          | Energy rate                                            | Energy rate                                               | Introduction of NCD at 20% and decrease residual in energy rate | Increase of NCD to 30% and decrease residual in energy rate    |
| <i>Generation Capacity</i>                                          | 20% on-peak demand charge with residual in energy rate | 20% on-peak demand charge with residual in energy rate    | 30% on-peak demand charge with reduced residual in energy rate  | 40% on-peak demand charge with reduced residual in energy rate |
| <i>Commodity Energy</i>                                             | TOU energy                                             | TOU energy                                                | TOU energy (off-peak first then semi-peak)                      | TOU energy (off-peak first then semi-peak)                     |
| <b><i>Large Agricultural: Schedule PA-T-1</i></b>                   |                                                        |                                                           |                                                                 |                                                                |
| <i>Customer Costs</i>                                               | MSF with residual in demand charges                    | Increase MSF 20% with decrease residual in demand charges | Increase MSF 20% with decrease residual in demand charges       | Increase MSF 20% with decrease residual in demand charges      |
| <i>Distribution Demand</i>                                          | 100% NCD with off-peak exemption                       | 100% NCD with off-peak exemption                          | 100% NCD with off-peak exemption                                | 100% NCD with off-peak exemption                               |
| <i>Generation Capacity</i>                                          | 50% on-peak demand charge with residual in energy rate | 50% on-peak demand charge with residual in energy rate    | 60% on-peak demand charge with reduced residual in energy rate  | 70% on-peak demand charge with reduced residual in energy rate |
| <i>Commodity Energy</i>                                             | TOU energy                                             | TOU energy                                                | TOU energy (off-peak first then semi-peak)                      | TOU energy (off-peak first then semi-peak)                     |

In addition to the above, as described in the testimony of Ms. Fang and Mr. Anderson, SDG&E proposes to change the time periods definitions for its TOU rates to better align the periods with current system needs. TOU periods create price signals that provide customers information about the high cost periods and the low cost periods. In turn, this price signal will incent economically efficient behavior that reduce system costs when customers reduce their bills by shifting energy usage to low cost time periods and avoiding usage during high cost time

periods. Since the definition of TOU periods are intended to provide customers with accurate information regarding the high cost periods for commodity services and the low cost periods for commodity services, SDG&E believes that TOU period definitions should be the same for all customers. As such, SDG&E's proposal is applicable to all rate schedules.

SDG&E is seeing changes to its portfolio that result in a change in what drives the need for generation resources. That need is based no longer solely on loads, but on "net load," loads less solar and wind resources in the local reliability area that have become a growing part of SDG&E's portfolio of resources. Rather than its current TOU period definitions, SDG&E has now identified a need for generation resources from 2 pm to 9 pm. In this proceeding, SDG&E is proposing to address this need through a combination of a shorter five-hour on-peak TOU period from 4 pm to 9 pm and a shorter four-hour CPP period from 2 pm to 6 pm on high demand days.

SDG&E also proposes, as explained in the testimony of Ms. Fang and Mr. Schiermeyer to update its electric sales forecast annually, beyond the test year, until SDG&E's next rate design decision adopting a new sales forecast is implemented. Currently, SDG&E updates its test year sales forecast in its GRC or RDW proceedings. This proposal to update electric sales forecast annually will better capture the changes in electric sales, which would noticeably reduce the impact of under/over collections related to differences between actual sales and test year sales on customers. Updating the electric sales forecast on a more frequent basis will provide electric customers with a more appropriate set of billing determinants and would allow SDG&E to collect revenues in a steadier manner. SDG&E has included electric sales forecasts in Mr. Shiermeyer's testimony for years 2016, 2017 and 2018. If approved herein, SDG&E proposes the ability to implement the presented electric sales forecasts beyond the test year through a Tier

2 advice letter that would then be incorporated into SDG&E's annual Electric Consolidated advice letter for January 1 effective rates. The electric sales forecast would impact all rate schedules.

**B. Proposals to Eliminate Certain Closed Rate Schedules**

This Amended Application also proposes eliminating the following closed rate schedules that are no longer applicable, as detailed by Mr. Swartz in Chapter 2: Schedule A, Schedule AY-TOU, Schedule AD, and Schedule PA.

**C. Proposals to Offer New Rate Options**

Mr. Swartz (Chapter 2) describes several new cost-based rate options for business customers and one new option for residential electric vehicle customers. For Small Commercial customers, SDG&E proposes a new optional rate with a larger fixed charge and a reduced volumetric rate, for the benefit of customers whose usage can vary on a month-to-month basis. SDG&E also proposes reopening Schedule A-TOU for small commercial customers with a demand of less than 40 kW, with changes to add a cost-based MSF, reduce level distribution NCD at 20% recovery; and (3) implement cost-based TOU commodity rates.

SDG&E is also proposing a fully cost-based option for M/L C&I customers with the following features: (1) a cost-based MSF; (2) distribution demand costs recovered through a NCD demand charge with an exemption for demand in the super-off peak period, and (3) an on-peak demand charge that reflects 90% of generation capacity. For street lighting customers, SDG&E proposes a new dimmable rate option.

For residential electric vehicle customers, SDG&E is proposing a similar option to that approved for Southern California Edison Company in D.14-12-048. This is a more cost-based rate structure, compared to SDG&E's current electric vehicle rate Schedule EV-TOU2 that will

be optionally available to residential electric vehicle customers and includes a \$16 monthly service fee and TOU energy rates.

Finally, consistent with the ALJ Ruling of January 27, 2016, SDG&E includes in this Second Amended Application, a proposal for implementation of Public Utilities Code Section 739.3, enacted by AB 2218 in 2014. Section 739.3 requires each electrical corporation and gas corporation to develop and implement a program of rate assistance to eligible food banks at a fixed percentage to be determined by the commission, with the funding source subject to the approval of the commission. In order to implement this legislative mandate, SDG&E proposes to implement a fixed percentage discount for qualifying foodbanks herein at a level of 20%.

## **VI. STATUTORY AND PROCEDURAL REQUIREMENTS**

### **A. Category, Need for Hearings, Issues and Schedule - Rule 2.1(c)**

#### **1. Category**

SDG&E proposes that this proceeding be categorized as “ratesetting.”

#### **2. Need for Hearings**

SDG&E believes that evidentiary hearings will be required.

#### **3. Issues to be Considered**

The issues to be considered are described in this Amended Application and the accompanying testimony and exhibits.

#### **4. Proposed Schedule**

SDG&E proposes the following schedule:

#### **ACTION**

SDG&E files Second-Amended Application

Workshop

Prehearing Conference

#### **DATE**

February 9, 2016

February 22, 2016

March 21, 2016

|                                    |                    |
|------------------------------------|--------------------|
| Scoping Memo Issued                | April 25, 2016     |
| ORA Testimony                      | June 3, 2016       |
| Intervenor Testimony               | June 27 , 2016     |
| Concurrent Rebuttal Testimony      | August 1, 2016     |
| Evidentiary Hearings, if necessary | August 22-25, 2016 |
| Opening Briefs                     | September 19, 2016 |
| Reply Briefs                       | October 7, 2016    |
| Proposed Decision                  | December 2016      |
| Adopted Rate Proposals Effective   | February 1, 2017   |

**B. Authority - Rule 2.1**

This Second-Amended Application is filed pursuant to P.U. Code § 454 as well as the E-Mail Ruling of ALJ McKinney, dated January 27, 2016, and in compliance with the Commission's Rules of Practice and Procedure. SDG&E's April 13, 2015 Application was filed in accordance with the schedule adopted in the Commission's Rate Case Plan set forth in D.89-01-040 (modified by D.07-07-004).

**C. Corporate Information and Correspondence - Rules 2.1(a) and 2.1(b)**

SDG&E is a corporation organized and existing under the laws of the State of California. SDG&E is engaged in the business of providing electric service to portions of southern Orange County and electric and gas service throughout San Diego County. The exact legal name of the Applicant is San Diego Gas & Electric Company. The location of Applicant's principal place of business is 8306 Century Park Court, San Diego, California. SDG&E's counsel in this matter is Thomas R. Brill.



Correspondence or communications regarding this Application should be addressed to:

Thomas R. Brill  
San Diego Gas & Electric Company  
8330 Century Park Court, San Diego, CA 92123  
858/654-1601 (telephone)  
858/654-1586 (facsimile)  
[TBrill@semprautilities.com](mailto:TBrill@semprautilities.com)

With copies to:

Parina Parikh  
Regulatory Case Manager  
San Diego Gas & Electric Company  
8330 Century Park Court, San Diego, CA 92123  
858/636-5503 (Telephone)  
858/654-1788 (Facsimile)  
[PParikh@semprautilities.com](mailto:PParikh@semprautilities.com)

**D. Organization and Qualification to Transact Business – Rule 2.2**

A certified copy of SDG&E's Restated Articles of Incorporation, as last amended, presently in effect and certified by the California Secretary of State, was previously filed with the Commission on September 10, 2014, in connection with SDG&E's Application No. A.14-09-009, and is incorporated herein by reference.

**E. Balance Sheet and Income Statement – Rule 3.2(a)(1)**

SDG&E's Balance Sheet, Income Statement and Financial Statement for the nine-month period ending September 30, 2014 are included in Appendix A.

**F. Rates - Rules 3.2(a)(2) and 3.2(a)(3)**

The rate impacts for SDG&E that will result from this Second-Amended Application are described in detail in the testimony of Christopher Swartz (Chapter 2) supporting this Amended Application. A Statement of SDG&E's Present and Proposed Rates is included in Appendix B.

**G. Property and Equipment - Rule 3.2(a)(4)**

A general description of SDG&E's property and equipment was previously filed with the Commission on October 5, 2001, in connection with SDG&E's Application No. A.01-10-005 and is incorporated herein by reference. A statement of Original Cost and Depreciation Reserve for the nine-month period ending September 30, 2014 is attached as Appendix C.

**H. Summary of Earnings - Rules 3.2(a)(5) and (6)**

SDG&E's Summary of Earnings for the nine-month period ending September 30, 2014 is included in Appendix D.

**I. Depreciation - Rule 3.2(a)(7)**

For financial statement purposes, depreciation of utility plant has been computed on a straight-line remaining life basis, at rates based on the estimated useful lives of plant properties. For federal income tax accrual purposes, SDG&E generally computes depreciation using the straight-line method for tax property additions prior to 1954, and liberalized depreciation, which includes Class Life and Asset Depreciation Range Systems, on tax property additions after 1954 and prior to 1981. For financial reporting and rate-fixing purposes, "flow through accounting" has been adopted for such properties. For tax property additions in years 1981 through 1986, SDG&E has computed its tax depreciation using the Accelerated Cost Recovery System. For years after 1986, SDG&E has computed its tax depreciation using the Modified Accelerated Cost Recovery Systems and, since 1982, has normalized the effects of the depreciation differences in accordance with the Economic Recovery Tax Act of 1981 and the Tax Reform Act of 1986.

**J. Proxy Statement - Rule 3.2(a)(8)**

A copy of the most recent Proxy Statement, dated March 20, 2014, as sent to all shareholders of SDG&E's parent company, Semptra Energy, was mailed to the Commission on May 12, 2014, and is incorporated herein by reference.

**K. Pass Through of Costs - Rule 3.2(a)(10)**

This Second-Amended Application reflects and passes through to customers cost and revenue requirement requests for increased costs to SDG&E for services or commodities furnished by it, as described herein.

**L. Service and Notice - Rule 1.9**

This Second-Amended Application will amend an existing rate proceeding, Application 15-04-012 in which parties have previously intervened and a service list has been established. As a result, SDG&E is serving this Application on all parties to A. 15-04-012. Within twenty days of filing, SDG&E will mail notice of this Application to the State of California and to cities and counties served by SDG&E (in accordance with the service list provided in Appendix E), and SDG&E will post the notice in their offices and publish the notice in newspapers of general circulation in each county in their service territory. In addition, within forty-five days of filing, SDG&E will include notices with the regular bills mailed to all customers affected by the proposed rate changes.

**VII. CONFIDENTIAL INFORMATION**

SDG&E is serving the testimony of Mr. Schiermeyer supporting this Second-Amended Application in both public (redacted) and non-public (unredacted and confidential) form, consistent with SDG&E's declarations of confidential treatment attached to the witness' testimony and submitted in conformance with D.06-06-066 and D.08-04-023. No other chapter

of testimony includes confidential information. Where information has been redacted from publicly served versions of testimony, confidential treatment is necessary to avoid inappropriate disclosure of the confidential and commercially sensitive information (pertaining to SDG&E's electric procurement resources and strategies) that SDG&E witnesses must identify to support this Second-Amended Application.

## **VIII. CONCLUSION**

SAN DIEGO GAS & ELECTRIC COMPANY requests that the Commission: (1) authorize the various rate design and revenue allocation proposals described above; (2) authorize SDG&E to implement the rates as proposed herein; and (3) grant such additional relief as the Commission believes is just and reasonable.

Respectfully submitted,

/s/ Thomas R. Brill

Thomas R. Brill;

*Counsel for*

SAN DIEGO GAS & ELECTRIC COMPANY

8330 Century Park Court, San Diego, CA 92123

858/654-1601 (telephone)

858/654-1586 (facsimile)

[TBrill@semprautilities.com](mailto:TBrill@semprautilities.com)

February 9, 2016

## **OFFICER VERIFICATION**

I, Caroline A. Winn, declare the following:

I am an officer of San Diego Gas & Electric Company and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing Application are true to my own knowledge, except as to matters that are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 9th day of February, 2016 at San Diego, California.

/s/ Caroline A. Winn  
Caroline A. Winn  
Chief Energy Delivery Officer  
San Diego Gas & Electric Company

**APPENDIX A**

**BALANCE SHEET AND INCOME STATEMENT AND  
FINANCIAL STATEMENT**

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**ASSETS AND OTHER DEBITS**  
**SEPTEMBER 30, 2014**

| <b>1. UTILITY PLANT</b>                      |                                                                                   | <u>2014</u>           |
|----------------------------------------------|-----------------------------------------------------------------------------------|-----------------------|
| 101                                          | UTILITY PLANT IN SERVICE                                                          | \$13,265,270,702      |
| 102                                          | UTILITY PLANT PURCHASED OR SOLD                                                   | -                     |
| 104                                          | UTILITY PLANT LEASED TO OTHERS                                                    | 85,194,000            |
| 105                                          | PLANT HELD FOR FUTURE USE                                                         | 13,092,995            |
| 106                                          | COMPLETED CONSTRUCTION NOT CLASSIFIED                                             | -                     |
| 107                                          | CONSTRUCTION WORK IN PROGRESS                                                     | 850,382,133           |
| 108                                          | ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT                           | (4,186,909,599)       |
| 111                                          | ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT                           | (410,449,684)         |
| 114                                          | ELEC PLANT ACQUISITION ADJ                                                        | 3,750,722             |
| 115                                          | ACCUM PROVISION FOR AMORT OF ELECTRIC PLANT ACQUIS ADJ                            | (687,632)             |
| 118                                          | OTHER UTILITY PLANT                                                               | 924,585,477           |
| 119                                          | ACCUMULATED PROVISION FOR DEPRECIATION AND<br>AMORTIZATION OF OTHER UTILITY PLANT | (259,751,909)         |
| 120                                          | NUCLEAR FUEL - NET                                                                | -                     |
| TOTAL NET UTILITY PLANT                      |                                                                                   | <u>10,284,477,205</u> |
| <br><b>2. OTHER PROPERTY AND INVESTMENTS</b> |                                                                                   |                       |
| 121                                          | NONUTILITY PROPERTY                                                               | 5,947,314             |
| 122                                          | ACCUMULATED PROVISION FOR DEPRECIATION AND<br>AMORTIZATION OF NONUTILITY PROPERTY | (364,300)             |
| 123                                          | INVESTMENTS IN SUBSIDIARY COMPANIES                                               | -                     |
| 124                                          | OTHER INVESTMENTS                                                                 | -                     |
| 125                                          | SINKING FUNDS                                                                     | -                     |
| 128                                          | OTHER SPECIAL FUNDS                                                               | <u>1,086,913,134</u>  |
| TOTAL OTHER PROPERTY AND INVESTMENTS         |                                                                                   | <u>1,092,496,148</u>  |

Data from SPL as of November 20, 2014

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**ASSETS AND OTHER DEBITS**  
**SEPTEMBER 30, 2014**

| <b>3. CURRENT AND ACCRUED ASSETS</b> |                                                  | <u>2014</u>                  |
|--------------------------------------|--------------------------------------------------|------------------------------|
| 131                                  | CASH                                             | 8,179,251                    |
| 132                                  | INTEREST SPECIAL DEPOSITS                        | -                            |
| 134                                  | OTHER SPECIAL DEPOSITS                           | -                            |
| 135                                  | WORKING FUNDS                                    | 500                          |
| 136                                  | TEMPORARY CASH INVESTMENTS                       | 8,600,000                    |
| 141                                  | NOTES RECEIVABLE                                 | -                            |
| 142                                  | CUSTOMER ACCOUNTS RECEIVABLE                     | 325,835,707                  |
| 143                                  | OTHER ACCOUNTS RECEIVABLE                        | 27,346,788                   |
| 144                                  | ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS | (3,306,398)                  |
| 145                                  | NOTES RECEIVABLE FROM ASSOCIATED COMPANIES       | -                            |
| 146                                  | ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES    | 1,037,349                    |
| 151                                  | FUEL STOCK                                       | 5,915,837                    |
| 152                                  | FUEL STOCK EXPENSE UNDISTRIBUTED                 | -                            |
| 154                                  | PLANT MATERIALS AND OPERATING SUPPLIES           | 60,643,228                   |
| 156                                  | OTHER MATERIALS AND SUPPLIES                     | -                            |
| 158                                  | ALLOWANCES                                       | 119,762,814                  |
| 163                                  | STORES EXPENSE UNDISTRIBUTED                     | -                            |
| 164                                  | GAS STORED                                       | 355,489                      |
| 165                                  | PREPAYMENTS                                      | 187,946,741                  |
| 171                                  | INTEREST AND DIVIDENDS RECEIVABLE                | 379,618                      |
| 173                                  | ACCRUED UTILITY REVENUES                         | 66,408,000                   |
| 174                                  | MISCELLANEOUS CURRENT AND ACCRUED ASSETS         | 3,140,584                    |
| 175                                  | DERIVATIVE INSTRUMENT ASSETS                     | <u>122,719,561</u>           |
| TOTAL CURRENT AND ACCRUED ASSETS     |                                                  | <u>934,965,069</u>           |
| <b>4. DEFERRED DEBITS</b>            |                                                  |                              |
| 181                                  | UNAMORTIZED DEBT EXPENSE                         | 33,866,452                   |
| 182                                  | UNRECOVERED PLANT AND OTHER REGULATORY ASSETS    | 3,415,826,388                |
| 183                                  | PRELIMINARY SURVEY & INVESTIGATION CHARGES       | 5,408,508                    |
| 184                                  | CLEARING ACCOUNTS                                | 773,515                      |
| 185                                  | TEMPORARY FACILITIES                             | -                            |
| 186                                  | MISCELLANEOUS DEFERRED DEBITS                    | 69,070,258                   |
| 188                                  | RESEARCH AND DEVELOPMENT                         | -                            |
| 189                                  | UNAMORTIZED LOSS ON REACQUIRED DEBT              | 12,678,902                   |
| 190                                  | ACCUMULATED DEFERRED INCOME TAXES                | <u>546,020,438</u>           |
| TOTAL DEFERRED DEBITS                |                                                  | <u>4,083,644,461</u>         |
| TOTAL ASSETS AND OTHER DEBITS        |                                                  | <u><u>16,395,582,883</u></u> |

Data from SPL as of November 20, 2014



**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**LIABILITIES AND OTHER CREDITS**  
**SEPTEMBER 30, 2014**

**5. PROPRIETARY CAPITAL**

|                                            | <u>2014</u>                |
|--------------------------------------------|----------------------------|
| 201 COMMON STOCK ISSUED                    | (\$291,458,395)            |
| 204 PREFERRED STOCK ISSUED                 | -                          |
| 207 PREMIUM ON CAPITAL STOCK               | (591,282,978)              |
| 210 GAIN ON RETIRED CAPITAL STOCK          | -                          |
| 211 MISCELLANEOUS PAID-IN CAPITAL          | (479,665,369)              |
| 214 CAPITAL STOCK EXPENSE                  | 24,605,640                 |
| 216 UNAPPROPRIATED RETAINED EARNINGS       | (3,680,171,669)            |
| 219 ACCUMULATED OTHER COMPREHENSIVE INCOME | <u>7,425,619</u>           |
| <br>TOTAL PROPRIETARY CAPITAL              | <br><u>(5,010,547,152)</u> |

**6. LONG-TERM DEBT**

|                                            |                            |
|--------------------------------------------|----------------------------|
| 221 BONDS                                  | (3,912,505,000)            |
| 223 ADVANCES FROM ASSOCIATED COMPANIES     | -                          |
| 224 OTHER LONG-TERM DEBT                   | (223,900,000)              |
| 225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT  | -                          |
| 226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT | <u>10,483,578</u>          |
| <br>TOTAL LONG-TERM DEBT                   | <br><u>(4,125,921,422)</u> |

**7. OTHER NONCURRENT LIABILITIES**

|                                                       |                            |
|-------------------------------------------------------|----------------------------|
| 227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT     | (665,589,287)              |
| 228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES  | (30,799,317)               |
| 228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS | (123,587,487)              |
| 228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS  | -                          |
| 230 ASSET RETIREMENT OBLIGATIONS                      | <u>(870,397,986)</u>       |
| <br>TOTAL OTHER NONCURRENT LIABILITIES                | <br><u>(1,690,374,077)</u> |

Data from SPL as of November 20, 2014

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**LIABILITIES AND OTHER CREDITS**  
**SEPTEMBER 30, 2014**

| <b>8. CURRENT AND ACCRUED LIABILITIES</b> |                                                 | <u>2014</u>                      |
|-------------------------------------------|-------------------------------------------------|----------------------------------|
| 231                                       | NOTES PAYABLE                                   | 0                                |
| 232                                       | ACCOUNTS PAYABLE                                | (426,187,421)                    |
| 233                                       | NOTES PAYABLE TO ASSOCIATED COMPANIES           | -                                |
| 234                                       | ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES        | (36,331,647)                     |
| 235                                       | CUSTOMER DEPOSITS                               | (68,765,920)                     |
| 236                                       | TAXES ACCRUED                                   | (142,413,013)                    |
| 237                                       | INTEREST ACCRUED                                | (56,002,581)                     |
| 238                                       | DIVIDENDS DECLARED                              | -                                |
| 241                                       | TAX COLLECTIONS PAYABLE                         | (5,069,005)                      |
| 242                                       | MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES   | (300,676,506)                    |
| 243                                       | OBLIGATIONS UNDER CAPITAL LEASES - CURRENT      | (36,787,838)                     |
| 244                                       | DERIVATIVE INSTRUMENT LIABILITIES               | (149,662,867)                    |
| 245                                       | DERIVATIVE INSTRUMENT LIABILITIES - HEDGES      | -                                |
| TOTAL CURRENT AND ACCRUED LIABILITIES     |                                                 | <u>(1,221,896,798)</u>           |
| <br><b>9. DEFERRED CREDITS</b>            |                                                 |                                  |
| 252                                       | CUSTOMER ADVANCES FOR CONSTRUCTION              | (36,637,985)                     |
| 253                                       | OTHER DEFERRED CREDITS                          | (364,727,768)                    |
| 254                                       | OTHER REGULATORY LIABILITIES                    | (1,317,940,681)                  |
| 255                                       | ACCUMULATED DEFERRED INVESTMENT TAX CREDITS     | (21,820,437)                     |
| 257                                       | UNAMORTIZED GAIN ON REACQUIRED DEBT             | -                                |
| 281                                       | ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED | -                                |
| 282                                       | ACCUMULATED DEFERRED INCOME TAXES - PROPERTY    | (1,855,909,283)                  |
| 283                                       | ACCUMULATED DEFERRED INCOME TAXES - OTHER       | (749,807,280)                    |
| TOTAL DEFERRED CREDITS                    |                                                 | <u>(4,346,843,434)</u>           |
| TOTAL LIABILITIES AND OTHER CREDITS       |                                                 | <u><u>(\$16,395,582,883)</u></u> |

Data from SPL as of November 20, 2014

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2014**

**1. UTILITY OPERATING INCOME**

|       |                                              |                 |                      |
|-------|----------------------------------------------|-----------------|----------------------|
| 400   | OPERATING REVENUES                           |                 | \$3,888,295,041      |
| 401   | OPERATING EXPENSES                           | \$2,604,800,533 |                      |
| 402   | MAINTENANCE EXPENSES                         | 112,891,857     |                      |
| 403-7 | DEPRECIATION AND AMORTIZATION EXPENSES       | 373,934,327     |                      |
| 408.1 | TAXES OTHER THAN INCOME TAXES                | 82,987,508      |                      |
| 409.1 | INCOME TAXES                                 | 26,163,303      |                      |
| 410.1 | PROVISION FOR DEFERRED INCOME TAXES          | 675,397,703     |                      |
| 411.1 | PROVISION FOR DEFERRED INCOME TAXES - CREDIT | (482,264,895)   |                      |
| 411.4 | INVESTMENT TAX CREDIT ADJUSTMENTS            | (2,040,336)     |                      |
| 411.6 | GAIN FROM DISPOSITION OF UTILITY PLANT       | -               |                      |
|       | TOTAL OPERATING REVENUE DEDUCTIONS           |                 | <u>3,391,870,000</u> |
|       | NET OPERATING INCOME                         |                 | 496,425,041          |

**2. OTHER INCOME AND DEDUCTIONS**

|       |                                                       |                    |                             |
|-------|-------------------------------------------------------|--------------------|-----------------------------|
| 415   | REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK | -                  |                             |
| 417   | REVENUES OF NONUTILITY OPERATIONS                     | 1,578              |                             |
| 417.1 | EXPENSES OF NONUTILITY OPERATIONS                     | -                  |                             |
| 418   | NONOPERATING RENTAL INCOME                            | 297,497            |                             |
| 418.1 | EQUITY IN EARNINGS OF SUBSIDIARIES                    | -                  |                             |
| 419   | INTEREST AND DIVIDEND INCOME                          | 5,399,961          |                             |
| 419.1 | ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION    | 25,944,284         |                             |
| 421   | MISCELLANEOUS NONOPERATING INCOME                     | 371,195            |                             |
| 421.1 | GAIN ON DISPOSITION OF PROPERTY                       | -                  |                             |
|       | TOTAL OTHER INCOME                                    | <u>32,014,515</u>  |                             |
| 421.2 | LOSS ON DISPOSITION OF PROPERTY                       | -                  |                             |
| 425   | MISCELLANEOUS AMORTIZATION                            | 187,536            |                             |
| 426   | MISCELLANEOUS OTHER INCOME DEDUCTIONS                 | <u>8,038,828</u>   |                             |
|       | TOTAL OTHER INCOME DEDUCTIONS                         | <u>8,226,364</u>   |                             |
| 408.2 | TAXES OTHER THAN INCOME TAXES                         | 496,329            |                             |
| 409.2 | INCOME TAXES                                          | (1,789,345)        |                             |
| 410.2 | PROVISION FOR DEFERRED INCOME TAXES                   | 8,312,662          |                             |
| 411.2 | PROVISION FOR DEFERRED INCOME TAXES - CREDIT          | <u>(6,478,028)</u> |                             |
|       | TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS            | <u>541,618</u>     |                             |
|       | TOTAL OTHER INCOME AND DEDUCTIONS                     |                    | <u>23,246,533</u>           |
|       | INCOME BEFORE INTEREST CHARGES                        |                    | 519,671,574                 |
|       | NET INTEREST CHARGES*                                 |                    | <u>140,424,376</u>          |
|       | NET INCOME                                            |                    | <u><u>\$379,247,198</u></u> |

*\*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION, (\$10,362,273)*

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2014**

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**3. RETAINED EARNINGS**

|                                                                  |                        |
|------------------------------------------------------------------|------------------------|
| RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED | \$3,300,924,471        |
| NET INCOME (FROM PRECEDING PAGE)                                 | 379,247,198            |
| DIVIDEND TO PARENT COMPANY                                       | -                      |
| DIVIDENDS DECLARED - PREFERRED STOCK                             | 0                      |
| OTHER RETAINED EARNINGS ADJUSTMENTS                              | 0                      |
| RETAINED EARNINGS AT END OF PERIOD                               | <u>\$3,680,171,669</u> |

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**FINANCIAL STATEMENT**  
**September 30, 2014**

(a) Amounts and Kinds of Stock Authorized:

|              |                    |                   |
|--------------|--------------------|-------------------|
| Common Stock | 255,000,000 shares | Without Par Value |
|--------------|--------------------|-------------------|

Amounts and Kinds of Stock Outstanding:

|                     |                    |             |
|---------------------|--------------------|-------------|
| <b>COMMON STOCK</b> | 116,583,358 shares | 291,458,395 |
|---------------------|--------------------|-------------|

(b) Brief Description of Mortgage:

Full information as to this item is given in Application Nos. 08-07-029, 10-10-023 and 12-03-005 to which references are hereby made.

(c) Number and Amount of Bonds Authorized and Issued:

|                              | Nominal<br>Date of<br>Issue | Par Value<br>Authorized<br>and Issued | Outstanding | Interest Paid<br>in 2013 |
|------------------------------|-----------------------------|---------------------------------------|-------------|--------------------------|
| <u>First Mortgage Bonds:</u> |                             |                                       |             |                          |
| 6.80% Series KK, due 2013    | 12-01-91                    | 14,400,000                            | 0           | 979,200                  |
| Var% Series OO, due 2027     | 12-01-92                    | 250,000,000                           | 150,000,000 | 7,612,500                |
| 5.85% Series RR, due 2021    | 06-29-93                    | 60,000,000                            | 0           | 2,876,250                |
| 5.875% Series VV, due 2034   | 06-17-04                    | 43,615,000                            | 43,615,000  | 2,562,373                |
| 5.875% Series WW, due 2034   | 06-17-04                    | 40,000,000                            | 40,000,000  | 2,350,000                |
| 5.875% Series XX, due 2034   | 06-17-04                    | 35,000,000                            | 35,000,000  | 2,056,250                |
| 5.875% Series YY, due 2034   | 06-17-04                    | 24,000,000                            | 24,000,000  | 1,410,000                |
| 5.875% Series ZZ, due 2034   | 06-17-04                    | 33,650,000                            | 33,650,000  | 1,976,936                |
| 4.00% Series AAA, due 2039   | 06-17-04                    | 75,000,000                            | 75,000,000  | 2,900,000                |
| 5.35% Series BBB, due 2035   | 05-19-05                    | 250,000,000                           | 250,000,000 | 13,375,000               |
| 5.30% Series CCC, due 2015   | 11-15-05                    | 250,000,000                           | 250,000,000 | 13,250,000               |
| 6.00% Series DDD, due 2026   | 06-08-06                    | 250,000,000                           | 250,000,000 | 15,000,000               |
| 1.65% Series EEE, due 2018   | 09-21-06                    | 161,240,000                           | 161,240,000 | 2,571,778                |
| 6.125% Series FFF, due 2037  | 09-20-07                    | 250,000,000                           | 250,000,000 | 15,312,500               |
| 6.00% Series GGG, due 2039   | 05-14-09                    | 300,000,000                           | 300,000,000 | 18,000,000               |
| 5.35% Series HHH, due 2040   | 05-13-10                    | 250,000,000                           | 250,000,000 | 13,375,000               |
| 4.50% Series III, due 2040   | 08-26-10                    | 500,000,000                           | 500,000,000 | 22,500,000               |
| 3.00% Series JJJ, due 2021   | 08-18-11                    | 350,000,000                           | 350,000,000 | 10,500,000               |
| 3.95% Series LLL, due 2041   | 11-17-11                    | 250,000,000                           | 250,000,000 | 9,875,000                |
| 4.30% Series MMM, due 2042   | 03-22-12                    | 250,000,000                           | 250,000,000 | 10,750,000               |
| 3.60% Series NNN, due 2023   | 09-09-13                    | 450,000,000                           | 450,000,000 | 0                        |
| <u>Unsecured Bonds:</u>      |                             |                                       |             |                          |
| 5.30% CV96A, due 2021        | 08-02-96                    | 38,900,000                            | 38,900,000  | 2,061,700                |
| 5.50% CV96B, due 2021        | 11-21-96                    | 60,000,000                            | 60,000,000  | 3,300,000                |
| 4.90% CV97A, due 2023        | 10-31-97                    | 25,000,000                            | 25,000,000  | 1,225,000                |

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**FINANCIAL STATEMENT**  
**September 30, 2014**

| <u>Other Indebtedness:</u>       | <u>Date of<br/>Issue</u> | <u>Date of<br/>Maturity</u> | <u>Interest<br/>Rate</u> | <u>Outstanding</u> | <u>Interest Paid<br/>2013</u> |
|----------------------------------|--------------------------|-----------------------------|--------------------------|--------------------|-------------------------------|
| Commercial Paper & ST Bank Loans | Various                  | Various                     | Various                  | 0                  | \$15,949                      |

Amounts and Rates of Dividends Declared:

The amounts and rates of dividends during the past five fiscal years are as follows:

| <u>Preferred<br/>Stock</u> | <u>Shares<br/>Outstanding<br/>12-31-13</u> | <u>Dividends Declared</u> |             |             |             |             |
|----------------------------|--------------------------------------------|---------------------------|-------------|-------------|-------------|-------------|
|                            |                                            | 2009                      | 2010        | 2011        | 2012        | 2013        |
| 5.0%                       |                                            | \$375,000                 | \$375,000   | \$375,000   | \$375,000   | \$281,250   |
| 4.50%                      |                                            | 270,000                   | 270,000     | 270,000     | 270,000     | 202,500     |
| 4.40%                      |                                            | 286,000                   | 286,000     | 286,000     | 286,000     | 214,500     |
| 4.60%                      |                                            | 343,868                   | 343,868     | 343,868     | 343,868     | 257,901     |
| \$ 1.7625                  |                                            | 0                         | 0           | 0           | 0           | 0           |
| \$ 1.70                    |                                            | 2,380,000                 | 2,380,000   | 2,380,000   | 2,380,000   | 1,785,000   |
| \$ 1.82                    |                                            | 1,164,800                 | 1,164,800   | 1,164,800   | 1,164,800   | 873,600     |
|                            | 0                                          | \$4,819,668               | \$4,819,668 | \$4,819,668 | \$4,819,668 | \$3,614,751 |

Common Stock

|                    |                   |     |     |     |     |
|--------------------|-------------------|-----|-----|-----|-----|
| Dividend to Parent | \$150,000,000 [1] | \$0 | \$0 | \$0 | \$0 |
|--------------------|-------------------|-----|-----|-----|-----|

A balance sheet and a statement of income and retained earnings of Applicant for the nine months ended September 30, 2014 are attached hereto.

[1] San Diego Gas & Electric Company dividend to parent.

**APPENDIX B**

**STATEMENT OF PRESENT  
AND PROPOSED RATES**

## APPENDIX B

### ILLUSTRATIVE IMPACT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request, a typical residential customer living in the inland climate zone and using 500 kWh per month will see a monthly winter bill increase of \$10.37, or 9.7%, from current to Year 1, \$2.05, or 1.8% from Year 1 to Year 2, and \$1.26, or 1.1%, from Year 2 to Year 3. A typical monthly electric bill will increase from \$106.89 to \$117.26 from current to Year 1, and \$119.31 for Year 2, and \$120.57 for Year 3. The dollar amounts and percentages shown do not necessarily reflect the exact changes you may see in your bill. Changes in individual bills will depend on how much energy each customer uses. The table below shows a comparison of current class average rates to proposed rates for Years 1, 2, and 3.

| Customer Class                         | Current Rates Effective 11/1/2015 | Current Rates Adjusted for Year 1 Updated Sales | Proposed Rates Year 1 | Current to Year 1 Change |        | Proposed Rates Year 2 | Current to Year 2 Change |        | Proposed Rates Year 3 | Current to Year 3 Change |        |
|----------------------------------------|-----------------------------------|-------------------------------------------------|-----------------------|--------------------------|--------|-----------------------|--------------------------|--------|-----------------------|--------------------------|--------|
|                                        |                                   |                                                 |                       | \$                       | %      |                       | \$                       | %      |                       | \$                       | %      |
|                                        |                                   |                                                 |                       |                          |        |                       |                          |        |                       |                          |        |
| Residential                            | 22.651                            | 22.982                                          | 24.398                | 1.416                    | 6.16%  | 25.055                | 2.073                    | 9.02%  | 25.712                | 2.730                    | 11.88% |
| Small Commercial                       | 24.653                            | 23.804                                          | 24.600                | 0.796                    | 3.34%  | 25.143                | 1.339                    | 5.63%  | 25.686                | 1.882                    | 7.91%  |
| Medium & Large Commercial & Industrial | 19.529                            | 20.209                                          | 20.813                | 0.604                    | 2.99%  | 20.086                | -0.123                   | -0.61% | 19.358                | -0.851                   | -4.21% |
| Agricultural                           | 17.642                            | 17.929                                          | 17.553                | -0.376                   | -2.10% | 17.370                | -0.559                   | -3.12% | 17.188                | -0.748                   | -4.17% |
| Lighting                               | 18.062                            | 19.727                                          | 22.013                | 2.286                    | 11.59% | 22.211                | 2.484                    | 12.59% | 22.408                | 2.681                    | 13.59% |
| System Total                           | 21.154                            | 21.552                                          | 22.461                | 0.909                    | 4.22%  | 22.463                | 0.911                    | 4.23%  | 22.464                | 0.912                    | 4.23%  |



## **APPENDIX C**

### **COST OF PROPERTY AND DEPRECIATION RESERVE**

**SAN DIEGO GAS & ELECTRIC COMPANY**

**COST OF PROPERTY AND  
DEPRECIATION RESERVE APPLICABLE THERETO  
AS OF SEPTEMBER 30, 2014**

| <u>No.</u>                 | <u>Account</u>                        | <u>Original<br/>Cost</u> | <u>Reserve for<br/>Depreciation<br/>and<br/>Amortization</u> |
|----------------------------|---------------------------------------|--------------------------|--------------------------------------------------------------|
| <b>ELECTRIC DEPARTMENT</b> |                                       |                          |                                                              |
| 302                        | Franchises and Consents               | 222,841.36               | 202,900.30                                                   |
| 303                        | Misc. Intangible Plant                | 127,516,141.93           | 33,898,145.85                                                |
|                            | <b>TOTAL INTANGIBLE PLANT</b>         | <b>127,738,983.29</b>    | <b>34,101,046.15</b>                                         |
| 310.1                      | Land                                  | 14,526,518.29            | 46,518.29                                                    |
| 310.2                      | Land Rights                           | 0.00                     | 0.00                                                         |
| 311                        | Structures and Improvements           | 94,085,697.51            | 34,790,069.71                                                |
| 312                        | Boiler Plant Equipment                | 166,507,440.76           | 59,528,992.29                                                |
| 314                        | Turbogenerator Units                  | 131,066,744.63           | 39,247,753.27                                                |
| 315                        | Accessory Electric Equipment          | 82,076,227.97            | 28,377,956.52                                                |
| 316                        | Miscellaneous Power Plant Equipment   | 40,942,766.51            | 7,552,023.72                                                 |
|                            | Steam Production Decommissioning      | 0.00                     | 0.00                                                         |
|                            | <b>TOTAL STEAM PRODUCTION</b>         | <b>529,205,395.67</b>    | <b>169,543,313.80</b>                                        |
| 320.1                      | Land                                  | 0.00                     | 0.00                                                         |
| 320.2                      | Land Rights                           | 283,677.11               | 283,677.11                                                   |
| 321                        | Structures and Improvements           | 277,056,869.05           | 271,035,015.47                                               |
| 322                        | Boiler Plant Equipment                | 594,340,599.48           | 414,490,986.47                                               |
| 323                        | Turbogenerator Units                  | 144,904,256.04           | 137,460,463.10                                               |
| 324                        | Accessory Electric Equipment          | 173,367,620.53           | 168,082,213.69                                               |
| 325                        | Miscellaneous Power Plant Equipment   | 316,741,905.66           | 243,619,477.31                                               |
| 101                        | SONGS PLANT CLOSURE GROSS PLANT-      | (342,736,872.47)         | (71,013,778.34)                                              |
|                            | <b>TOTAL NUCLEAR PRODUCTION</b>       | <b>1,163,958,055.40</b>  | <b>1,163,958,054.81</b>                                      |
| 340.1                      | Land                                  | 143,475.87               | 0.00                                                         |
| 340.2                      | Land Rights                           | 56,032.61                | 4,306.51                                                     |
| 341                        | Structures and Improvements           | 22,703,423.92            | 5,033,784.18                                                 |
| 342                        | Fuel Holders, Producers & Accessories | 20,348,101.38            | 5,733,153.23                                                 |
| 343                        | Prime Movers                          | 83,912,588.36            | 25,844,689.26                                                |
| 344                        | Generators                            | 335,592,339.05           | 104,367,428.88                                               |
| 345                        | Accessory Electric Equipment          | 32,506,374.56            | 9,552,360.18                                                 |
| 346                        | Miscellaneous Power Plant Equipment   | 24,160,286.03            | 10,859,450.90                                                |
|                            | <b>TOTAL OTHER PRODUCTION</b>         | <b>519,422,621.78</b>    | <b>161,395,173.14</b>                                        |
|                            | <b>TOTAL ELECTRIC PRODUCTION</b>      | <b>2,212,586,072.85</b>  | <b>1,494,896,541.75</b>                                      |

| <u>No.</u> | <u>Account</u>                          | <u>Original<br/>Cost</u> | <u>Reserve for<br/>Depreciation<br/>and<br/>Amortization</u> |
|------------|-----------------------------------------|--------------------------|--------------------------------------------------------------|
| 350.1      | Land                                    | 41,012,520.66            | 0.00                                                         |
| 350.2      | Land Rights                             | 152,405,035.47           | 16,153,850.09                                                |
| 352        | Structures and Improvements             | 357,199,704.57           | 48,250,442.63                                                |
| 353        | Station Equipment                       | 1,123,658,169.32         | 199,272,486.16                                               |
| 354        | Towers and Fixtures                     | 846,122,326.99           | 125,957,137.02                                               |
| 355        | Poles and Fixtures                      | 308,510,965.20           | 67,043,111.85                                                |
| 356        | Overhead Conductors and Devices         | 496,754,019.12           | 197,221,962.96                                               |
| 357        | Underground Conduit                     | 255,457,596.10           | 36,636,154.25                                                |
| 358        | Underground Conductors and Devices      | 287,368,103.41           | 37,927,315.16                                                |
| 359        | Roads and Trails                        | 265,263,253.52           | 17,288,840.47                                                |
| 101        | SONGS PLANT CLOSURE GROSS PLANT-        | (5,943,752.68)           | (5,943,752.68)                                               |
|            | TOTAL TRANSMISSION                      | 4,127,807,941.68         | 739,807,547.91                                               |
| 360.1      | Land                                    | 16,176,227.80            | 0.00                                                         |
| 360.2      | Land Rights                             | 81,460,425.89            | 36,502,530.48                                                |
| 361        | Structures and Improvements             | 4,014,064.63             | 1,739,746.33                                                 |
| 362        | Station Equipment                       | 449,269,959.70           | 121,408,315.61                                               |
| 363        | Storage Battery Equipment               | 6,892,564.47             | 620,300.29                                                   |
| 364        | Poles, Towers and Fixtures              | 582,544,712.67           | 248,041,094.77                                               |
| 365        | Overhead Conductors and Devices         | 460,690,966.72           | 178,068,014.76                                               |
| 366        | Underground Conduit                     | 1,051,839,731.88         | 412,929,705.11                                               |
| 367        | Underground Conductors and Devices      | 1,361,423,574.20         | 812,520,352.77                                               |
| 368.1      | Line Transformers                       | 530,271,342.42           | 103,721,987.34                                               |
| 368.2      | Protective Devices and Capacitors       | 21,335,893.29            | (4,805,748.60)                                               |
| 369.1      | Services Overhead                       | 129,419,280.41           | 121,052,766.52                                               |
| 369.2      | Services Underground                    | 322,377,712.17           | 226,877,256.51                                               |
| 370.1      | Meters                                  | 189,823,586.60           | 50,733,838.29                                                |
| 370.2      | Meter Installations                     | 55,015,952.49            | 12,429,583.68                                                |
| 371        | Installations on Customers' Premises    | 7,010,597.78             | 10,820,402.04                                                |
| 373.1      | St. Lighting & Signal Sys.-Transformers | 0.00                     | 0.00                                                         |
| 373.2      | Street Lighting & Signal Systems        | 26,375,801.79            | 19,163,684.32                                                |
|            | TOTAL DISTRIBUTION PLANT                | 5,295,942,394.91         | 2,351,823,830.22                                             |
| 389.1      | Land                                    | 7,312,142.54             | 0.00                                                         |
| 389.2      | Land Rights                             | 0.00                     | 0.00                                                         |
| 390        | Structures and Improvements             | 32,224,388.56            | 22,390,930.46                                                |
| 392.1      | Transportation Equipment - Autos        | 0.00                     | 49,884.21                                                    |
| 392.2      | Transportation Equipment - Trailers     | 58,145.67                | 7,740.70                                                     |
| 393        | Stores Equipment                        | 15,720.46                | 15,227.49                                                    |
| 394.1      | Portable Tools                          | 22,371,863.28            | 7,067,417.10                                                 |
| 394.2      | Shop Equipment                          | 341,135.67               | 223,202.53                                                   |
| 395        | Laboratory Equipment                    | 2,240,574.26             | 69,150.83                                                    |
| 396        | Power Operated Equipment                | 60,528.93                | 117,501.67                                                   |
| 397        | Communication Equipment                 | 220,729,200.86           | 80,789,206.55                                                |
| 398        | Miscellaneous Equipment                 | 1,498,093.95             | 389,419.67                                                   |
|            | TOTAL GENERAL PLANT                     | 286,851,794.18           | 111,119,681.21                                               |
| 101        | TOTAL ELECTRIC PLANT                    | 12,050,927,186.91        | 4,731,748,647.24                                             |

| <u>No.</u>       | <u>Account</u>                                | <u>Original<br/>Cost</u> | <u>Reserve for<br/>Depreciation<br/>and<br/>Amortization</u> |
|------------------|-----------------------------------------------|--------------------------|--------------------------------------------------------------|
| <b>GAS PLANT</b> |                                               |                          |                                                              |
| 302              | Franchises and Consents                       | 86,104.20                |                                                              |
| 303              | Miscellaneous Intangible Plant                | 0.00                     | 0.00                                                         |
|                  | TOTAL INTANGIBLE PLANT                        | 86,104.20                | 0.00                                                         |
| 360.1            | Land                                          | 0.00                     | 0.00                                                         |
| 361              | Structures and Improvements                   | 43,992.02                | 43,992.02                                                    |
| 362.1            | Gas Holders                                   | 0.00                     | 0.00                                                         |
| 362.2            | Liquefied Natural Gas Holders                 | 0.00                     | 0.00                                                         |
| 363              | Purification Equipment                        | 0.00                     | 0.00                                                         |
| 363.1            | Liquefaction Equipment                        | 0.00                     | 0.00                                                         |
| 363.2            | Vaporizing Equipment                          | 0.00                     | 0.00                                                         |
| 363.3            | Compressor Equipment                          | 0.00                     | 0.00                                                         |
| 363.4            | Measuring and Regulating Equipment            | 0.00                     | 0.00                                                         |
| 363.5            | Other Equipment                               | 0.00                     | 0.00                                                         |
| 363.6            | LNG Distribution Storage Equipment            | 2,052,614.24             | 881,977.89                                                   |
|                  | TOTAL STORAGE PLANT                           | 2,096,606.26             | 925,969.91                                                   |
| 365.1            | Land                                          | 4,649,143.75             | 0.00                                                         |
| 365.2            | Land Rights                                   | 2,218,048.05             | 1,297,329.17                                                 |
| 366              | Structures and Improvements                   | 11,710,305.17            | 9,885,994.97                                                 |
| 367              | Mains                                         | 182,939,877.87           | 64,289,357.04                                                |
| 368              | Compressor Station Equipment                  | 83,537,457.65            | 65,805,072.56                                                |
| 369              | Measuring and Regulating Equipment            | 19,991,929.34            | 15,637,441.47                                                |
| 371              | Other Equipment                               | 0.00                     | 0.00                                                         |
|                  | TOTAL TRANSMISSION PLANT                      | 305,046,761.83           | 156,915,195.21                                               |
| 374.1            | Land                                          | 102,187.24               | 0.00                                                         |
| 374.2            | Land Rights                                   | 8,159,510.86             | 6,453,551.42                                                 |
| 375              | Structures and Improvements                   | 43,446.91                | 61,253.10                                                    |
| 376              | Mains                                         | 600,626,266.53           | 340,601,118.25                                               |
| 378              | Measuring & Regulating Station Equipment      | 17,490,287.24            | 7,175,773.91                                                 |
| 380              | Distribution Services                         | 248,923,877.04           | 288,572,418.53                                               |
| 381              | Meters and Regulators                         | 152,135,710.58           | 46,397,274.64                                                |
| 382              | Meter and Regulator Installations             | 89,572,748.29            | 30,967,554.26                                                |
| 385              | Ind. Measuring & Regulating Station Equipment | 1,516,810.70             | 1,112,362.22                                                 |
| 386              | Other Property On Customers' Premises         | 0.00                     | 0.00                                                         |
| 387              | Other Equipment                               | 5,223,271.51             | 4,800,609.64                                                 |
|                  | TOTAL DISTRIBUTION PLANT                      | 1,123,794,116.90         | 726,141,915.97                                               |

| <u>No.</u>          | <u>Account</u>                               | <u>Original<br/>Cost</u> | <u>Reserve for<br/>Depreciation<br/>and<br/>Amortization</u> |
|---------------------|----------------------------------------------|--------------------------|--------------------------------------------------------------|
| 392.1               | Transportation Equipment - Autos             | 0.00                     | 25,503.00                                                    |
| 392.2               | Transportation Equipment - Trailers          | 74,500.55                | 74,500.68                                                    |
| 394.1               | Portable Tools                               | 7,908,416.53             | 3,533,355.12                                                 |
| 394.2               | Shop Equipment                               | 76,864.06                | 41,520.76                                                    |
| 395                 | Laboratory Equipment                         | 283,093.66               | 265,818.29                                                   |
| 396                 | Power Operated Equipment                     | 162,284.40               | 140,775.23                                                   |
| 397                 | Communication Equipment                      | 2,649,798.75             | 864,666.61                                                   |
| 398                 | Miscellaneous Equipment                      | 198,324.54               | 85,471.92                                                    |
|                     | TOTAL GENERAL PLANT                          | 11,353,282.49            | 5,031,611.61                                                 |
| 101                 | TOTAL GAS PLANT                              | 1,442,376,871.68         | 889,014,692.70                                               |
| <b>COMMON PLANT</b> |                                              |                          |                                                              |
| 303                 | Miscellaneous Intangible Plant               | 242,465,445.60           | 160,825,108.81                                               |
| 350.1               | Land                                         | 0.00                     | 0.00                                                         |
| 360.1               | Land                                         | 0.00                     | 0.00                                                         |
| 389.1               | Land                                         | 7,168,914.56             | 0.00                                                         |
| 389.2               | Land Rights                                  | 1,080,961.15             | 27,775.74                                                    |
| 390                 | Structures and Improvements                  | 299,817,337.36           | 126,837,963.49                                               |
| 391.1               | Office Furniture and Equipment - Other       | 25,689,409.87            | 11,992,942.53                                                |
| 391.2               | Office Furniture and Equipment - Computer E  | 84,559,435.04            | 58,060,048.53                                                |
| 392.1               | Transportation Equipment - Autos             | 273,263.97               | (338,930.17)                                                 |
| 392.2               | Transportation Equipment - Trailers          | 33,369.38                | 21,585.28                                                    |
| 393                 | Stores Equipment                             | 79,141.34                | 55,370.79                                                    |
| 394.1               | Portable Tools                               | 1,232,026.51             | 244,725.05                                                   |
| 394.2               | Shop Equipment                               | 222,948.16               | 136,851.10                                                   |
| 394.3               | Garage Equipment                             | 1,056,076.39             | 68,560.43                                                    |
| 395                 | Laboratory Equipment                         | 2,090,236.56             | 905,420.00                                                   |
| 396                 | Power Operated Equipment                     | 0.00                     | (192,979.10)                                                 |
| 397                 | Communication Equipment                      | 130,463,619.62           | 59,938,612.10                                                |
| 398                 | Miscellaneous Equipment                      | 2,481,413.83             | 1,390,267.42                                                 |
| 118.1               | TOTAL COMMON PLANT                           | 798,713,599.34           | 419,973,322.00                                               |
|                     | TOTAL ELECTRIC PLANT                         | 12,050,927,186.91        | 4,731,748,647.24                                             |
|                     | TOTAL GAS PLANT                              | 1,442,376,871.68         | 889,100,796.90                                               |
|                     | TOTAL COMMON PLANT                           | 798,713,599.34           | 419,973,322.00                                               |
| 101 &<br>118.1      | TOTAL                                        | 14,292,017,657.93        | 6,040,822,766.14                                             |
| 101                 | PLANT IN SERV-SONGS FULLY RECOVER            | (1,163,958,055.43)       | (1,163,958,055.43)                                           |
| 101                 | PLANT IN SERV-ELECTRIC NON-RECON<br>Electric | (3,185,074.00)           | 0.00                                                         |

| <u>No.</u> | <u>Account</u>                                       | <u>Original<br/>Cost</u> | <u>Reserve for<br/>Depreciation<br/>and<br/>Amortization</u> |
|------------|------------------------------------------------------|--------------------------|--------------------------------------------------------------|
| 101        | PLANT IN SERV-ASSETS HELD FOR SALE                   |                          |                                                              |
|            | Electric                                             | 0.00                     | 0.00                                                         |
|            | Common                                               | 0.00                     | 0.00                                                         |
|            |                                                      | <u>0.00</u>              | <u>0.00</u>                                                  |
| 101        | PLANT IN SERV-LEGACY METER RECLASS                   |                          |                                                              |
|            | Electric                                             | 0.00                     | 0.00                                                         |
|            |                                                      | <u>0.00</u>              | <u>0.00</u>                                                  |
| 101        | PLANT IN SERV-SUNRISE FIRE MITIGATION                |                          |                                                              |
|            | Electric                                             | 0.00                     | 0.00                                                         |
|            |                                                      | <u>0.00</u>              | <u>0.00</u>                                                  |
| 118        | PLANT IN SERV-COMMON NON-RECON                       |                          |                                                              |
|            | Common - Transferred Asset Adjustment                | (2,094,664.96)           | (2,094,664.96)                                               |
|            |                                                      | <u>(2,094,664.96)</u>    | <u>(2,094,664.96)</u>                                        |
| 101        | Accrual for Retirements                              |                          |                                                              |
|            | Electric                                             | (5,670,929.45)           | (5,670,929.45)                                               |
|            | Gas                                                  | (66,894.14)              | (66,894.14)                                                  |
|            |                                                      | <u>(5,737,823.59)</u>    | <u>(5,737,823.59)</u>                                        |
|            | TOTAL PLANT IN SERV-ACCRUAL FOR RE                   | <u>(5,737,823.59)</u>    | <u>(5,737,823.59)</u>                                        |
| 102        | Electric                                             | 0.00                     | 0.00                                                         |
|            | Gas                                                  | 0.00                     | 0.00                                                         |
|            |                                                      | <u>0.00</u>              | <u>0.00</u>                                                  |
|            | TOTAL PLANT PURCHASED OR SOLD                        | <u>0.00</u>              | <u>0.00</u>                                                  |
| 104        | Electric                                             | 85,194,000.02            | 7,435,486.46                                                 |
|            | Gas                                                  | 0.00                     | 0.00                                                         |
|            |                                                      | <u>85,194,000.02</u>     | <u>7,435,486.46</u>                                          |
|            | TOTAL PLANT LEASED TO OTHERS                         | <u>85,194,000.02</u>     | <u>7,435,486.46</u>                                          |
| 105        | Plant Held for Future Use                            |                          |                                                              |
|            | Electric                                             | 13,092,995.37            | 0.00                                                         |
|            | Gas                                                  | 0.00                     | 0.00                                                         |
|            |                                                      | <u>13,092,995.37</u>     | <u>0.00</u>                                                  |
|            | TOTAL PLANT HELD FOR<br>FUTURE USE                   | <u>13,092,995.37</u>     | <u>0.00</u>                                                  |
| 107        | Construction Work in Progress                        |                          |                                                              |
|            | Electric                                             | 770,421,642.02           |                                                              |
|            | Gas                                                  | 81,379,464.14            |                                                              |
|            | Common                                               | 125,022,915.69           |                                                              |
|            |                                                      | <u>976,824,021.85</u>    | <u>0.00</u>                                                  |
|            | TOTAL CONSTRUCTION WORK<br>IN PROGRESS               | <u>976,824,021.85</u>    | <u>0.00</u>                                                  |
| 108        | Accum. Depr SONGS Mitigation/Spent Fuel Disallowance |                          |                                                              |
|            | Electric                                             | 0.00                     | 0.00                                                         |
|            |                                                      | <u>0.00</u>              | <u>0.00</u>                                                  |

| <u>No.</u> | <u>Account</u>                                     | <u>Original<br/>Cost</u> | <u>Reserve for<br/>Depreciation<br/>and<br/>Amortization</u> |
|------------|----------------------------------------------------|--------------------------|--------------------------------------------------------------|
| 108.5      | Accumulated Nuclear<br>Decommissioning<br>Electric | 0.00                     | 976,759,315.31                                               |
|            | TOTAL ACCUMULATED NUCLEAR<br>DECOMMISSIONING       | 0.00                     | 976,759,315.31                                               |
| 101.1      | ELECTRIC CAPITAL LEASES                            | 837,939,281.00           | 137,272,439.00                                               |
| 118.1      | COMMON CAPITAL LEASE                               | 19,150,085.19            | 17,679,124.20                                                |
|            |                                                    | 857,089,366.19           | 154,951,563.20                                               |
| 120        | NUCLEAR FUEL FABRICATION                           | 62,963,775.37            | 40,861,208.00                                                |
| 120        | SONGS PLANT CLOSURE-NUCLEAR FUEL                   | (62,963,775.37)          | (40,861,208.00)                                              |
| 143        | FAS 143 ASSETS - Legal Obligation                  | 267,997,174.00           | (911,097,810.82)                                             |
|            | SONGS Plant Closure - FAS 143 contra               | (266,617,323.00)         | (61,166,058.00)                                              |
|            | FIN 47 ASSETS - Non-Legal Obligation               | 67,384,474.15            | 26,900,088.59                                                |
| 143        | FAS 143 ASSETS - Legal Obligation                  | 0.00                     | (1,313,209,265.35)                                           |
|            | TOTAL FAS 143                                      | 68,764,325.15            | (2,258,573,045.58)                                           |
|            | UTILITY PLANT TOTAL                                | 15,118,006,748.53        | 3,749,605,541.55                                             |

**APPENDIX D**

**SUMMARY OF EARNINGS**



**SAN DIEGO GAS & ELECTRIC COMPANY  
SUMMARY OF EARNINGS  
NINE MONTHS ENDED SEPTEMBER 30, 2014  
(DOLLARS IN MILLIONS)**

| <u>Line No.</u> | <u>Item</u>                 | <u>Amount</u>       |
|-----------------|-----------------------------|---------------------|
| 1               | Operating Revenue           | \$3,888             |
| 2               | Operating Expenses          | <u>3,392</u>        |
| 3               | Net Operating Income        | <u><u>\$496</u></u> |
| 4               | Weighted Average Rate Base  | \$7,102             |
| 5               | Rate of Return*             | 7.79%               |
|                 | *Authorized Cost of Capital |                     |

**APPENDIX E**

**GOVERNMENTAL ENTITIES RECEIVING NOTICE**

State of California  
Attorney General's Office  
P.O. Box 944255  
Sacramento, CA 94244-2550

Naval Facilities Engineering  
Command  
Navy Rate Intervention  
1314 Harwood Street SE  
Washing Navy Yard, DC 20374

City of Carlsbad  
Attn. City Attorney  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008-19589

City of Chula Vista  
Attn. City Attorney  
276 Fourth Ave  
Chula Vista, Ca 91910-2631

City of Dana Point  
Attn. City Attorney  
33282 Golden Lantern  
Dana Point, CA 92629

City of Del Mar  
Attn. City Clerk  
1050 Camino Del Mar  
Del Mar, CA 92014

City of Encinitas  
Attn. City Attorney  
505 S. Vulcan Ave.  
Encinitas, CA 92024

City of Escondido  
Attn. City Attorney  
201 N. Broadway  
Escondido, CA 92025

City of Imperial Beach  
Attn. City Clerk  
825 Imperial Beach Blvd  
Imperial Beach, CA 92032

City of Laguna Beach  
Attn. City Clerk  
505 Forest Ave  
Laguna Beach, CA 92651

State of California  
Attn. Director Dept of General  
Services  
PO Box 989052  
West Sacramento, CA 95798-9052

Alpine County  
Attn. County Clerk  
99 Water Street, P.O. Box 158  
Markleeville, CA 96120

City of Carlsbad  
Attn. Office of the County Clerk  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008-19589

City of Coronado  
Attn. Office of the City Clerk  
1825 Strand Way  
Coronado, CA 92118

City of Dana Point  
Attn. City Clerk  
33282 Golden Lantern  
Dana Point, CA 92629

City of El Cajon  
Attn. City Clerk  
200 Civic Way  
El Cajon, CA 92020

City of Encinitas  
Attn. City Clerk  
505 S. Vulcan Ave.  
Encinitas, CA 92024

City of Fallbrook  
Chamber of Commerce  
Attn. City Clerk  
111 S. Main Avenue  
Fallbrook, CA 92028

City of Imperial Beach  
Attn. City Attorney  
825 Imperial Beach Blvd  
Imperial Beach, CA 92032

City of Laguna Beach  
Attn. City Attorney  
505 Forest Ave  
Laguna Beach, CA 92651

United States Government  
General Services Administration  
300 N. Los Angeles  
Los Angeles, CA 90012

Borrego Springs Chamber of  
Commerce Attn. City Clerk  
786 Palm Canyon Dr  
PO Box 420  
Borrego Springs CA 92004-0420

City of Chula Vista  
Attn: Office of the City Clerk  
276 Fourth Avenue  
Chula Vista, California 91910-2631

City of Coronado  
Attn. City Attorney  
1825 Strand Way  
Coronado, CA 92118

City of Del Mar  
Attn. City Attorney  
1050 Camino Del Mar  
Del Mar, CA 92014

City of El Cajon  
Attn. City Attorney  
200 Civic Way  
El Cajon, CA 92020

City of Escondido  
Attn. City Clerk  
201 N. Broadway  
Escondido, CA 92025

City of Fallbrook  
Chamber of Commerce  
Attn. City Attorney  
111 S. Main Avenue  
Fallbrook, CA 92028

Julian Chamber of Commerce  
P.O. Box 1866  
2129 Main Street  
Julian, CA

City of Laguna Niguel  
Attn. City Attorney  
30111 Crown Valley Parkway  
Laguna Niguel, California 92677

City of Laguna Niguel  
Attn. City Clerk  
30111 Crown Valley Parkway  
Laguna Niguel, California 92677

City of Lakeside  
Attn. City Clerk  
9924 Vine Street  
Lakeside CA 92040

City of La Mesa  
Attn. City Attorney  
8130 Allison Avenue  
La Mesa, CA 91941

City of La Mesa  
Attn. City Clerk  
8130 Allison Avenue  
La Mesa, CA 91941

City of Lemon Grove  
Attn. City Clerk  
3232 Main St.  
Lemon Grove, CA 92045

City of Lemon Grove  
Attn. City Attorney  
3232 Main St.  
Lemon Grove, CA 92045

City of Mission Viejo  
Attn: City Clerk  
200 Civic Center  
Mission Viejo, CA 92691

City of Mission Viejo  
Attn: City Attorney  
200 Civic Center  
Mission Viejo, CA 92691

City of National City  
Attn. City Clerk  
1243 National City Blvd  
National City, CA 92050

City of National City  
Attn. City Attorney  
1243 National City Blvd  
National City, CA 92050

City of Oceanside  
Attn. City Clerk  
300 N. Coast Highway  
Oceanside, CA 92054-2885

City of Oceanside  
Attn. City Attorney  
300 N. Coast Highway  
Oceanside, CA 92054-2885

County of Orange  
Attn. County Counsel  
P.O. Box 1379  
Santa Ana, CA 92702

County of Orange  
Attn. County Clerk  
12 Civic Center Plaza, Room 101  
Santa Ana, CA 92701

City of Poway  
Attn. City Clerk  
P.O. Box 789  
Poway, CA 92064

City of Poway  
Attn. City Attorney  
P.O. Box 789  
Poway, CA 92064

City of Ramona  
Attn. City Clerk  
960 Main Street  
Ramona, CA 92065

City of Ramona  
Attn. City Attorney  
960 Main Street  
Ramona, CA 92065

City of Rancho San Diego - Jamul  
Attn. City Clerk  
3855 Avocado Blvd.  
Suite 230  
La Mesa, CA 91941

City of San Clemente  
Attn. City Clerk  
100 Avenida Presidio  
San Clemente, CA 92672

City of San Clemente  
Attn. City Attorney  
100 Avenida Presidio  
San Clemente, CA 92672

City of San Diego  
Attn. Mayor  
202 C Street, 11<sup>th</sup> Floor  
San Diego, CA 92101

County of San Diego  
Attn. County Clerk  
P.O. Box 121750  
San Diego, CA 92101

City of San Diego  
Attn. City Attorney  
1200 Third Ave.  
Suite 1620  
San Diego, CA 92101

County of San Diego  
Attn. County Counsel  
1600 Pacific Hwy  
San Diego, CA 92101

City of San Diego  
Attn. City Clerk  
202 C Street, 2<sup>nd</sup> Floor  
San Diego, CA 92101

City of San Marcos  
Attn. City Clerk  
1 Civic Center Dr.  
San Marcos, CA 92069

City of San Marcos  
Attn. City Attorney  
1 Civic Center Dr.  
San Marcos, CA 92069

City of Santee  
Attn. City Clerk  
10601 Magnolia Avenue  
Santee, CA 92071

City of Santee  
Attn. City Attorney  
10601 Magnolia Avenue  
Santee, CA 92071

City of Solana Beach  
Attn. City Attorney  
635 S. Highway 101  
Solana Beach, CA 92075

Spring Valley Chamber of  
Commerce  
Attn. City Clerk  
3322 Sweetwater Springs Blvd,  
Ste. 202  
Spring Valley, CA 91977-3142

Valley Center Chamber of  
Commerce  
Attn. City Clerk  
P.O. Box 8  
Valley Center, CA 92082

City of Vista  
Attn. City Attorney  
200 Civic Center Drive, Bldg. K  
Vista, CA 92084

City of Vista  
Attn. City Clerk  
200 Civic Center Drive  
Vista, CA 92084

City of Aliso Viejo  
12 Journey  
Aliso Viejo, CA 92656

# **APPENDIX F**

## **WORKSHOP AGENDA**

## **PUBLIC WORKSHOP AGENDA**

**Application (A.) 15-04-012 – SDG&E GRC Phase 2**

### **TOU Period Modeling/Application Overview**

**February 22, 2016**

**10:00 AM – 3:00 PM, Commission Headquarters – Courtyard Room**  
**Conference Line: 1 866-630-0288, participant code 6802885**

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#### **SDG&E GRC Phase 2**

|                         |                                                                                                                                         |                                                              |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| 10:00 a.m. – 12:00 p.m. | Welcome / Introductions<br>TOU Period Modeling<br>Q&A                                                                                   | Parina Parikh<br>Cyndee Fang                                 |
| 12:00 p.m. – 1:00 p.m.  | Lunch Break                                                                                                                             |                                                              |
| 1:00 p.m. – 3:00 p.m.   | Application Overview<br>TOU Period Discussion<br>Revenue Allocation & Rate Design Proposals<br>Stakeholder and Customer Outreach<br>Q&A | Cyndee Fang<br>Rob Anderson<br>Chris Swartz<br>Jeni Reynolds |

# **APPENDIX G**

## **REVISION LOG**



| A.15-04-012 - SDG&E General Rate Case Phase 2 Revision Log                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                   |                                                                                                                                                                                     |                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Expanded CARE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                   |                                                                                                                                                                                     |                                                                                                                                                                          |
| <b>Description:</b> Link error resulted in incorrectly identifying the current effective Expanded CARE discount and continued to reflect the effective Expanded CARE discount from February 1, 2015 effective rates. Once corrected, the effective Expanded CARE discount no longer exceeded the legislative limits of 30-35% and therefore SDG&E's proposed glidepath for the Expanded CARE discount to reach legislative compliance was no longer needed. SDG&E's Expanded CARE discount is addressed in SDG&E's AL 2837-E.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                   | <b>Impacted Documents: Testimony, Attachments</b>                                                                                                                                   |                                                                                                                                                                          |
| Witness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Page                                                                                                                                                                              | Original Version Location                                                                                                                                                           | Revision Item                                                                                                                                                            |
| Fang (Chapter 1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Testimony, pg. CF-29                                                                                                                                                              | pg. 23 rows 19-22, pg. 24, rows 1-6                                                                                                                                                 | Removed the reference to the proposal to modify the Expanded CARE discount which was eliminated as a proposal in the Direct Testimony of Christopher Swartz (Chapter 2). |
| Swartz (Chapter 2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Testimony, pgs. CS-2, CS-4, CS-51 thru 53, CS-61                                                                                                                                  | CS pg. 51, Row 2 thru CS pg. 53, Row 14                                                                                                                                             | Removed proposal to modify the Expanded CARE discount which was eliminated as a proposal.                                                                                |
| Swartz (Chapter 2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Bill Impact Testimony Attachments "E" (pg. 168), "G" (pg. 248), "I" (pgs. 330 and 331)                                                                                            | Last three tables "Commercial Bill Impacts" (Expanded CARE tables)                                                                                                                  | Removed Bill Impacts related to removing SDG&E's proposal for the Expanded CARE Compliance with AB327.                                                                   |
| Swartz (Chapter 2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Summary Testimony Attachment "N" (pg. 517)                                                                                                                                        | Row 6                                                                                                                                                                               | Removed reference to SDG&E's proposal for the Expanded CARE Compliance with AB327.                                                                                       |
| <b>Consolidated Model Corrections</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                   |                                                                                                                                                                                     |                                                                                                                                                                          |
| <b>Description:</b> Errors were identified in the consolidated model which impacted the calculation of rates presented in the filing and the bill impacts presented. These include:<br>1) The GHG volumetric credit in the tiered rates were not included in the modeling of residential proposed rates.<br>2) FF&U Revenues were not included for CSI and SGIP in the modeling of SDG&E's proposal to move CSI and SGIP recovery from Distribution rates to PPP rates.<br>3) The modeling of residential non-CARE medical baseline rates incorrectly reflected the non-CARE minimum bill rather than 50% minimum charge for medical baseline (both non-CARE and CARE) pursuant to D.15-07-001.<br>4) Link errors were identified associated with the modeling of the revenues associated with proposed TOU rates for Schedules AD, PA, PAT-1 and DR-TOU.<br>5) Link errors were identified in the calculation of Class Average Revenues which impacts the presentation of Class Average Rates related to CARE subsidies, the DWR Bond Charge and revenues related to rate Schedules DR-SES and TOU-A. These impacted the class average rates presentation only and not the present or proposed rates. |                                                                                                                                                                                   | <b>Impacted Documents: Testimony, Attachments, Workpapers</b>                                                                                                                       |                                                                                                                                                                          |
| Witness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Page                                                                                                                                                                              | Original Version Location                                                                                                                                                           | Revision Item                                                                                                                                                            |
| Swartz (Chapter 2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Proposed Rates for Testimony Attachments "D", "F" and "H", Bill Impact Testimony Attachments "E", "G", "I", Testimony Tables (CS-6,7,8,9,11,14,15,16,17,18,20,21,22,24,25 and 26) | Rates displayed in Attachments "D", "F" and "H", Bill Impacts displayed in Attachments "E", "G", "I", data in Testimony Tables (CS-6,7,8,9,11,14,15,16,17,18,20,21,22,24,25 and 26) | Updated testimony, proposed rate attachments and bill impact attachments to address identified errors                                                                    |
| <b>Compliance with AB 2218 and PUC 739.3</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                   |                                                                                                                                                                                     |                                                                                                                                                                          |
| <b>Description:</b> Updated testimony to include proposal for a discount for Food Banks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                   | <b>Impacted Documents: Testimony</b>                                                                                                                                                |                                                                                                                                                                          |
| Witness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Page                                                                                                                                                                              | Original Version Location                                                                                                                                                           | Revision Item                                                                                                                                                            |
| Fang (Chapter 1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Testimony, pgs. CF-29 to 31                                                                                                                                                       | N/A                                                                                                                                                                                 | Additional testimony to comply with Administrative Law Judge's rulings made at the January 26, 2016 Pre-Hearing Conference in this proceeding                            |
| Swartz (Chapter 2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Testimony, pg. CS-53,54                                                                                                                                                           | N/A                                                                                                                                                                                 | Additional testimony to comply with Administrative Law Judge's rulings made at the January 26, 2016 Pre-Hearing Conference in this proceeding                            |
| <b>Other Testimony Updates</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                   |                                                                                                                                                                                     |                                                                                                                                                                          |
| <b>Description:</b> Additional content requested by ALJ at Jan 26 PHC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                   | <b>Impacted Documents: Testimony, Attachments</b>                                                                                                                                   |                                                                                                                                                                          |
| Witness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Page                                                                                                                                                                              | Original Version Location                                                                                                                                                           | Revision Item                                                                                                                                                            |
| Fang (Chapter 1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Testimony, pgs. CF-8 to 16; CF-21, CF-24 to 25 (additional language on cost-based rates)                                                                                          | N/A                                                                                                                                                                                 | Additional testimony to comply with Administrative Law Judge's rulings made at the January 26, 2016 Pre-Hearing Conference in this proceeding                            |

| A.15-04-012 - SDG&E General Rate Case Phase 2 Revision Log                |                                                                                                                                                                                      |                                                       |                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Swartz (Chapter 2)                                                        | Testimony, pgs. CS-47 to 49 (A-TOU), pg. CS-53 to 56 (Under/Over Collection Proposal), pg. CS-5 and Attachment "Q" (additional language related to presentation of RROIIR glidepath) | N/A                                                   | Additional testimony to comply with Administrative Law Judge's rulings made at the January 26, 2016 Pre-Hearing Conference in this proceeding                                                                                   |
| Saxe (Chapter 6)                                                          | Testimony, pg. WGS-8 and Attachment "E" (inclusion of results of NCO methodology)                                                                                                    | N/A                                                   | Additional testimony to comply with Administrative Law Judge's rulings made at the January 26, 2016 Pre-Hearing Conference in this proceeding                                                                                   |
| <b>Description: Updated Attachment to reflect cumulative bill impacts</b> |                                                                                                                                                                                      |                                                       | <b>Impacted Documents: Attachments</b>                                                                                                                                                                                          |
| <b>Witness</b>                                                            | <b>Page</b>                                                                                                                                                                          | <b>Original Version Location</b>                      | <b>Revision Item</b>                                                                                                                                                                                                            |
| Swartz (Chapter 2)                                                        | Bill Impact Testimony Attachment "O"                                                                                                                                                 | N/A                                                   | Cumulative bill impacts as requested by TURN and UCAN in their protests                                                                                                                                                         |
| Swartz (Chapter 2)                                                        | Bill Impact Testimony Attachments "E", "G", "I"                                                                                                                                      | N/A                                                   | Updated attachments with language clarifying that the bill impact tables account for anticipated changes to residential rate design ordered in D.15-07-001 for the same three year period as requested by TURN in their protest |
| <b>Description: Witness replacement</b>                                   |                                                                                                                                                                                      |                                                       | <b>Impacted Documents: Testimony</b>                                                                                                                                                                                            |
| <b>Witness</b>                                                            | <b>Page</b>                                                                                                                                                                          | <b>Original Version Location</b>                      | <b>Revision Item</b>                                                                                                                                                                                                            |
| Fang (Chapter 1)                                                          | Testimony, pg. CF-27                                                                                                                                                                 | N/A                                                   | Updated to reflect new witness.                                                                                                                                                                                                 |
| Reynolds (Chapter 8)                                                      | Testimony, pg JR-7, qualifications                                                                                                                                                   | DW-7                                                  | Updated qualification page with the credentials of new witness.                                                                                                                                                                 |
| <b>Description: Updated CAISO data</b>                                    |                                                                                                                                                                                      |                                                       | <b>Impacted Documents: Testimony</b>                                                                                                                                                                                            |
| <b>Witness</b>                                                            | <b>Page</b>                                                                                                                                                                          | <b>Original Version Location</b>                      | <b>Revision Item</b>                                                                                                                                                                                                            |
| Anderson (Chapter 3)                                                      | Testimony, pg. RBA-4, footnote 5                                                                                                                                                     | Testimony, pg. RBA-4, footnote 5                      | Updated to include 2015 data                                                                                                                                                                                                    |
| Anderson (Chapter 3)                                                      | Testimony, pg. RBA-6, footnote 6                                                                                                                                                     | Testimony, pg. RBA-6, footnote 6                      | Updated to include 2016 data                                                                                                                                                                                                    |
| Anderson (Chapter 3)                                                      | Testimony, pg. RBA-7                                                                                                                                                                 | Testimony, pg. RBA-7                                  | Updated to include 2014 data                                                                                                                                                                                                    |
| Anderson (Chapter 3)                                                      | Testimony, pg. RBA-8                                                                                                                                                                 | Testimony, pg. RBA-8                                  | Updated to reference TOU OIR                                                                                                                                                                                                    |
| Anderson (Chapter 3)                                                      | Testimony, pg. RBA-11                                                                                                                                                                | Testimony, pg. RBA-11                                 | Updated to include 2015 data                                                                                                                                                                                                    |
| Anderson (Chapter 3)                                                      | Testimony, pg. RBA-13                                                                                                                                                                | Testimony, pg. RBA-13                                 | Updated to include 2015 data                                                                                                                                                                                                    |
| Anderson (Chapter 3)                                                      | Testimony, pg. RBA-14                                                                                                                                                                | Testimony, pg. RBA-14                                 | Updated to include 2015 data                                                                                                                                                                                                    |
| Anderson (Chapter 3)                                                      | Testimony, pg. RBA – Appendix - 1, footnote 15 and 16                                                                                                                                | Testimony, pg. RBA – Appendix - 1, footnote 15 and 16 | Updated to reference TOU OIR                                                                                                                                                                                                    |
| <b>Description: Updated Application</b>                                   |                                                                                                                                                                                      |                                                       | <b>Impacted Documents: Application</b>                                                                                                                                                                                          |
| <b>Witness</b>                                                            | <b>Page</b>                                                                                                                                                                          | <b>Original Version Location</b>                      | <b>Revision Item</b>                                                                                                                                                                                                            |
| Application                                                               | Pg. 1, 2                                                                                                                                                                             | Pg. 1                                                 | Updates to reflect ALJ McKinney ruling                                                                                                                                                                                          |
| Application                                                               | Pg. 5                                                                                                                                                                                | Pg. 4                                                 | Removal of reference to expanded CARE proposal                                                                                                                                                                                  |
| Application                                                               | Pg. 6                                                                                                                                                                                | N/A                                                   | Inclusion of reference to Food Bank Rate Assistance Program                                                                                                                                                                     |
| Application                                                               | Pg. 7                                                                                                                                                                                | Pg. 6                                                 | Updated to reflect replacement of Witness Welch with Witness Reynolds                                                                                                                                                           |
| Application                                                               | Pg. 13                                                                                                                                                                               | N/A                                                   | Updated to include discussion on legislation related to Food Bank Rate                                                                                                                                                          |
| Application                                                               | Pg. 14                                                                                                                                                                               | Pgs. 12-13                                            | Updates to proceeding schedule                                                                                                                                                                                                  |
| Application                                                               | Pg. 15                                                                                                                                                                               | Pg. 14                                                | Updated to include name and contact information for new Case Manager                                                                                                                                                            |
| Application                                                               | Pgs. 17-18                                                                                                                                                                           | Pgs. 16-17                                            | Updated to modify confidentiality language                                                                                                                                                                                      |
| Application                                                               | Appendix F                                                                                                                                                                           | N/A                                                   | Includes Workshop agenda                                                                                                                                                                                                        |
| Application                                                               | Appendix G                                                                                                                                                                           | N/A                                                   | Includes Revision Log                                                                                                                                                                                                           |

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

|                                           |                           |
|-------------------------------------------|---------------------------|
| Application of SAN DIEGO GAS & ELECTRIC ) |                           |
| COMPANY (U 902 E) For Authority To )      | Application No. 15-04-012 |
| Update Marginal Costs, Cost Allocation, ) | (Filed April 13, 2015)    |
| And Electric Rate Design. )               |                           |
| _____ )                                   |                           |

**NOTICE OF AVAILABILITY OF THE  
SECOND-AMENDED APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY  
(U 902 E)  
FOR AUTHORITY TO UPDATE MARGINAL COSTS, COST ALLOCATION AND  
ELECTRIC RATE DESIGN AND SUPPORTING EXHIBITS**

*PLEASE TAKE NOTICE THAT* on February 9, 2016, San Diego Gas & Electric Company (“SDG&E”) filed its *Second-Amended Application For Authority To Update Marginal Costs, Cost Allocation And Electric Rate Design*. The Second-Amended Application supersedes SDG&E’s Application filed on April 13, 2015 in its entirety. The Second-Amended Application consists of the application itself, and all of the attachments required by the Commission’s Rules of Practice and Procedure. Because the entire Second-Amended Application and supporting Exhibits are composed of over fifty pages, pursuant to Rule 1.9(d) of the Commission’s Rules of Practice and Procedure, the Application and the supporting testimony can be accessed and downloaded, as of 5:00 p.m., February 9, 2016, at the following internet address:

<http://www.sdge.com/sdge-2016-GRC-Phase-2>

SDG&E will, upon request, provide a paper copy of the entire Second-Amended Application, public versions of supporting Exhibits, or any part thereof. Supporting workpapers will also be

available upon request. To expedite service of the requested materials, SDG&E asks that requests be submitted in writing to:

Parina Parikh  
Regulatory Case Manager  
San Diego Gas & Electric Company  
8330 Century Park Court, San Diego, CA 92123  
858/636-5503 (Telephone)  
858/654-1788 (Facsimile)  
PParikh@semprautilities.com

Respectfully submitted,

/s/ Thomas R. Brill  
Thomas R. Brill

*Counsel for*  
SAN DIEGO GAS & ELECTRIC COMPANY  
8330 Century Park Court, San Diego, CA 92123  
858/654-1601 (telephone)  
858/654-1586 (facsimile)  
[TBrill@semprautilities.com](mailto:TBrill@semprautilities.com)